

DRAFT

September 20, 2005

Patrick Branch
Project Manager
ERG Transit Systems
411 First Avenue South, Suite 1N
Seattle, Washington 98104

RE: Contract Change Agreement Schedule Acceptance

Dear Pat,

This is to confirm that the Agencies are willing to approve the new Project Schedule (version dated 9-13-05) upon your indicating ERG's agreement to the following.

1. ERG will sign the Contract Change Agreement with the following documents attached:

a. the Key Completion Date Summary (version dated 9-20-05)

b. the Project Schedule (version dated 9-13-05)

2. The Parties recognize that the 9-13-05 Project Schedule contains errors that do not affect activities and dates in the Key Completion Date Summary. ERG agrees to correct these errors in the Project Schedule and provide the Agencies with a new version no later than Friday, 9-23-05. **(REVIEW NOTE: We can attach a list of specific changes (major omissions or logic errors) that we require to be made, per Site Manager review)**

3. ERG will provide a "90 Day Look Ahead" by 9-23-05 and as part of the monthly schedule updates/report required by the tenth of each month, as provided in Section 3.I-26.5.

4. The Parties recognize that the Project Schedule may not include all the tasks that the Agencies will need to perform. To the extent ERG subsequently identifies an Agency task(s) that has not been included in the 9-13-05 Project Schedule, ERG will inform the Contract Administrator reasonably in advance and propose a reasonable amount of time for Agency performance, all as required in Contract Section 2.I-2.3. Upon agreement among the Parties, the additional task and due date shall be confirmed in writing and included in the "90 Day Look Ahead." Until such written agreement is reached, the Agencies shall not be responsible for any delay caused by failing to perform such an additional task.

Upon satisfying these conditions, the Agency are prepared to release 75% of the FDR Milestone payment.

With best regards,

Candace Carlson
Contract Administrator

The undersigned hereby agrees to the provisions above on behalf of ERG.

Pat Branch
Project Manager